



# What's New and What's News

A NEWSLETTER FOR THE LEGISLATURE & OTHER GOVERNMENTAL AGENCIES

May 2006

Welcome to the third edition of a newsletter dedicated to keeping the legislature and other governmental agencies informed of "What's New" in the Gambling Commission and "What's News."

## 2006 Session Recap

Several bills relating to gambling were introduced during the 2006 legislative session; one passed.

### **Prohibiting Internet Gambling (SSB 6613)**

Internet gambling has never been an authorized activity in Washington. However, this legislation strengthens the law and makes it very clear that Internet gambling is illegal in Washington. The penalty was changed from a gross misdemeanor to a Class C felony. The bill was signed by the Governor and becomes effective June 7, 2006.

Several other gambling related bills were introduced, but didn't make it through the process.

- **Increasing the legal gambling age from 18 to 21 (SHB 2872 & SSB 6523)**
- **Gambling task force (SSCR 8415)**
- **Freezing the locations of house-banked card rooms (SSB 6615)**
- **Off reservation gambling (HB 3129/SB 6301)**

## Multi-State Internet Gambling Task Force Created

In the late 1990's the number of on-line casino sites was estimated at more than 250; today that estimate has risen to more than 1,800. Some on-line poker sites may have over 35,000 players during peak hours and long term projections estimate that on-line gambling will exceed \$24 billion by 2010.

Our agency opened 12 investigations involving Internet gambling between 2002-2005. Most of our efforts were frustrated as the electronic and financial trails changed quickly and led to off-shore casinos.

We contacted other states to discuss creating a Multi-State Task Force to respond to the growing presence of illegal on-line gambling. This led to an organizational meeting of fifteen state, federal, and Canadian agencies hosted by the Indiana Gaming Commission in December 2005, and the creation of the Multi-State Internet Gambling Task Force.

We are confident a multi-state effort directed to improving laws, increasing public awareness, and taking firm enforcement action can reduce illegal Internet gambling.

## Rules Simplification Project

Established in 1973, the Gambling Commission has written plenty of rules in our time, but in October 2004, we began a project to rewrite all of our rules in plain English.

We have involved stakeholders from the gambling industry and our own staff as subject matter experts. Our goal is to make a rules manual that is easier to use and to understand and to include licensees in the process.

In February 2005, the Governor issued an Executive Order about "Plain Talk" as part of the Government

Management Accountability and Performance (GMAP) initiative. Our Rules Simplification Project, already underway, matched the Governor's Executive Order perfectly.

The Commission adopted the first two chapters of the new rules manual at their March 2006 meeting and they have adopted more chapters at Commission meetings since then. In the first two chapters alone, we reduced the number of words by over 32,000.

We will complete the new manual in Fall 2007 and the new rules will become effective January 1, 2008.

# Our Mission: Protect the Public by Ensuring that Gambling is Legal and Honest.

## Illegal Card Marking

Card marking has made its way into the state. A card room operator recently notified us of unusually large losses on a particular card table.

Our Special Agents investigated and found cards so discreetly marked that the markings were barely detectable with the naked eye. Patterns were scratched or whited-out on the back of cards enabling cheaters to know the value of the cards.

One card room employee and her co-conspirator have been charged with five counts of first degree cheating in King County. Another co-conspirator was charged with one count of first degree cheating. All criminal cases are pending. The Commissioners also summarily suspended the license of the card room employee involved.

## Staff Changes

**Neal Nunamaker**, Deputy Director, retired in May 2006. Neal had been with the agency since 1975 and was a member of the Legislative Team.

**Cally Cass**, Assistant Director Field Operations, resigned in April 2006. Cally had been with the agency since 1987 and also worked on legislative issues.

### 2005 Certified Fraud Examiners

The following Special Agents completed requirements for certification as fraud examiners in 2005:

Adam Carolus, Jenny Kapp, Bill Kesel, Jennifer LaMont, Clint Lucci, Kelly Main, Debby Vandall, Robert Zaher

## Primary Legislative Contacts



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## Public Opinion Survey

Last fall, the Commission contracted with Washington State University's Social & Economic Sciences Research Center to conduct a public opinion survey about gambling. The survey was conducted over the phone; 500 residents participated.

A few key findings include:

- Respondents were asked whether they believe that gambling in Washington is honest and fair. Over three-quarters (76%) of respondents said gambling was very (12%) or mostly (64%) honest and fair.
- 94% of Washington residents have gambled at some point in their lives.
- 71% have gambled in some form during the previous year.
- Among five questions about the concerns of Washington residents, the topic of greatest concern was the number of people under the age of 18 who are gambling. Overall, almost half (44%) of surveyed adults were very concerned about under-age gambling, and an additional 25% were somewhat concerned.
- The lack of Internet gambling regulation was the second ranked concern. One-third (34%) were very concerned, and an additional quarter (24%) were somewhat concerned.
- The more popular forms of gambling were the lottery (46% in the past year), tribal casinos (27%), raffles (26%), pull-tabs (18%), gambling in another state (18%), and card games (15%).
- The forms of gambling that attracted the largest numbers of people who spend more than \$300 a year were tribal casinos, out-of-state gambling, card games, and tribal bingo.
- By far the primary reason for gambling was that respondents considered gambling to be a social event or form of recreation (72%).

The Commission requested the survey to provide an additional source of information to consider when making future policy decisions.